

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 0 — 1 8

2. STATE:

Missouri

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE **August 2, 2000**
~~JULY 1, 2000~~

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR

7. FEDERAL BUDGET IMPACT:

a. FFY 2000 \$ 832
b. FFY 2001 \$ 3,355

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

**Att. 4-19 D
Page 111A**

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

**Att. 4-19 D
Page 111A**

10. SUBJECT OF AMENDMENT: **This proposed State Plan Amendment provides for a Quality Assurance Incentive per diem increase of \$3.20 for pediatric nursing facilities participating in the Medicaid program.**

11. GOVERNOR'S REVIEW (Check One):

- ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT *JP*
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Gary J. Stangler

14. TITLE:

Director

15. DATE SUBMITTED:

September 28, 2000

16. RETURN TO:

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

09/29/00

18. DATE APPROVED:

DEC 7 2000

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

08/02/00

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Thomas W. Lenz

22. TITLE:

ARA for Medicaid and State Operations

23. REMARKS:

SPA CONTROL

Date Submitted 09/28/00

Date Received 09/29/00

2. Minimum wage adjustment. All facilities with either an interim rate or a prospective rate in effect on September 1, 1997, shall be granted an increase to their per diem effective September 1, 1997, of one dollar and ninety-eight cents (\$1.98) to allow for the change in minimum wage. Utilizing fiscal year 1995 cost report data, the total industry hours reported for each payroll category was multiplied by the forty cent (\$.40) increase, divided by the patient days for the facilities reporting hours for that payroll category and factored up by 8.67% to account for the related increase to payroll taxes. This calculation excludes the Director of Nursing, the Administrator and Assistant Administrator.

(D) Special Per-Diem Rate Adjustments. Special per-diem rate adjustments may be added to a qualifying facility's rate without regard to the level of care ceiling if specifically provided as described below.

1. Quality Assurance Incentive.

- A. Each pediatric nursing facility with an interim or prospective rate on or after July 1, 2000, shall receive a per-diem adjustment of \$3.20. The quality assurance incentive adjustment will be added to the facility's current rate.
- B. The Quality Assurance Incentive per-diem increase shall be used for the wages and salaries of direct patient care staff. Any increases in wages and benefits already codified in a collective bargaining agreement in effect as of July 1, 2000, will not be counted towards the expenditure requirements of the Quality Assurance Incentive as stated above. Nursing facilities with collective bargaining agreements shall provide such agreements to the division.

**INSTITUTIONAL STATE PLAN AMENDMENT
ASSURANCE AND FINDING CERTIFICATION STATEMENT**

STATE: Missouri

TN 00-18

REIMBURSEMENT TYPE:

Nursing facility ✓
ICF/MR

PROPOSED EFFECTIVE DATE: 8/2/00

A. State Assurances and Findings. The State assures that it has made the following findings:

1. 447.253 (b) (1) (i) - The State pays for long-term care facility services through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards. ✓

2. With respect to nursing facility services --

a. 447.253 (b) (1) (iii) (A) - Except for preadmission screening for individuals with mental illness and mental retardation under 42 CFR 483.20(f), the methods and standards used to determine payment rates take into account the costs of complying with the requirements of 42 CFR part 483 subpart B. ✓

b. 447.253 (b) (1) (iii) (B) - The methods and standards used to determine payment rates provide for an appropriate reduction to take into account the lower costs (if any) of the facility for nursing care under a waiver of the requirement in 42 CFR 483.30 (c) to provide licensed nurses on a 24-hour basis. ✓

c. 447.253 (b) (1) (iii) (C) - The State has established procedures under which the data and methodology used to establish payment rates are made available to the public. ✓

3. 447.253 (b) (2) - The proposed payment rate will not exceed the upper payment limits as specified in 42 CFR 447.272:

a. 447.272 (a) - Aggregate payments made to each group of health care facilities (hospitals, nursing facilities, and ICFs/MR) will not exceed the amount that can reasonably be estimated would have been paid for those services under Medicare payment principles. ✓

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b. 447.272 (b) - Aggregate payments to each group of State-operated facilities (that is, hospitals, nursing facilities, and ICFs/MR) - - when considered separately - - will not exceed the amount that can reasonably be estimated would have been paid for under Medicare payment principles. ✓

If there are no State-operated facilities, please indicate "not applicable:"

B. State Assurances. The State makes the following additional assurances:

1. For nursing facilities and ICFs/MR - -

a. 447.253 (d) (1) - when there has been a sale or transfer of the assets of a NF or ICF/MR on or after July 18, 1984 but before October 1, 1985, the State's methods and standards provide that payment rates can reasonably be expected not to increase in the aggregate, solely as a result of a change in ownership, more that payments would increase under Medicare under 42 CFR 413.130, 413.134, 413.153 and 413.157 insofar as these sections affect payment for depreciation, interest on capital indebtedness, return on equity (if applicable), acquisition costs for which payments were previously made to prior owners, and the recapture of depreciation. ✓

b. 447.253 (d) (2) - When there has been a sale or transfer of the assets of a NF or ICF/MR on or after October 1, 1985, the State's methods and standards provide that the valuation of capital assets for purposes of determining payment rates will not increase (as measured from the date of acquisition by the seller to the date of the change of ownership) solely as a result of a change of ownership, by more than the lesser of:

(i) 1/2 of the percentage increase (as measured from the date of acquisition by the seller to the date of the change of ownership) in the Dodge construction index applied in the aggregate with respect to those facilities that have undergone a change of ownership during the fiscal year; or

(ii) 1/2 of the percentage increase (as measured from the date of acquisition by the seller to the date of the change of ownership) in the Consumer Price Index for All Urban Consumers (CPI-U) (United States city average) applied in the aggregate with respect to those facilities that have undergone a change of ownership during the fiscal year. ✓

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2. 447.253 (e) - The State provides for an appeals or exception procedure that allows individual providers an opportunity to submit additional evidence and receive prompt administrative review, with respect to such issues as the State determines appropriate, of payment rates. ✓
3. 447.253 (f) - The State requires the filing of uniform cost reports by each participating provider. ✓
4. 447.253 (g) - The State provides for periodic audits of the financial and statistical records of participating providers. ✓
- 5. 447.253 (h) - The State has complied with the public notice requirements of 42 CFR 447.205. ✓

Notice published on:

August 1, 2000

If no date is shown, please explain:

6. 447.253 (i) - The State pays for long-term care services using rates determined in accordance with the methods and standards specified in the approved State plan. ✓

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C. Related Information

1. 447.255 (a) - NOTE: If this plan amendment affects more than one type of provider (e.g., hospital, NF, and ICF/MR; or DSH payments) provide the following rate information for each provider type, or the DSH payments. You may attach supplemental pages as necessary.

Provider Type: NF

Estimated average proposed payment rate as a result of this amendment:
\$95.98

Average payment rate in effect for the immediately preceding rate period:
\$92.78

Amount of change: \$3.20 Percent of change: 3.45%

2. 447.255 (b) - Provide an estimate of the short-term and, to the extent feasible, long-term effect the change in the estimated average rate will have on:

(a) The availability of services on a statewide and geographic area basis:

none

(b) The type of care furnished:

none

(c) The extent of provider participation:

none

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